

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 130 Section 130.2011 Sales to Persons Who Lease Tangible Personal Property to Exempt Hospitals</b>
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**TITLE 86: REVENUE**

**PART 130  
RETAILERS' OCCUPATION TAX**

**Section 130.2011 Sales to Persons Who Lease Tangible Personal Property to Exempt Hospitals**

- a) Effective January 1, 1996 through December 31, 2000, and on and after August 2, 2001, sales of computers and communications equipment utilized for any hospital purpose that are sold to persons who lease those items to exempt hospitals are not subject to Retailers' Occupation Tax. As noted in this subsection, the exemption is not available during the period January 1, 2001 through August 1, 2001 because it expired under the provisions of Section 2-70 of the Retailers' Occupation Tax Act [35 ILCS 120/2-70] and was not reinstated until August 2, 2001. The exemption is otherwise available, provided that:
- 1) the computers and communications equipment described above must all be purchased for lease to a tax exempt hospital under a lease that has been executed or is in effect at the time of purchase;
  - 2) the lease must be for a period of one year or longer; and
  - 3) the lease must be to a hospital that has an active tax exemption identification number issued by the Department under Section 1g of the Retailers' Occupation Tax Act (see Section 130.2007 of this Part).
- b) Effective January 1, 1996 through December 31, 2000, and on and after August 2, 2001, sales of equipment, other than that specified in subsection (a), used in the diagnosis, analysis, or treatment of hospital patients that is sold to persons who lease that equipment to exempt hospitals is not subject to Retailers' Occupation Tax. As noted in this subsection, the exemption is not available during the period January 1, 2001 through August 1, 2001 because it expired under the provisions of Section 2-70 of the Retailers' Occupation Tax Act [35 ILCS 120/2-70] and was not reinstated until August 2, 2001. The exemption is otherwise available, provided that:
- 1) the equipment described above must all be purchased for lease to a tax exempt hospital under a lease that has been executed or is in effect at the time of purchase;
  - 2) the lease must be for a period of one year or longer; and

- 3) the lease must be to a hospital that has an active tax exemption identification number issued by the Department under Section 1g of the Retailers' Occupation Tax Act (see Section 130.2007 of this Part).
- c) The retailer must retain the certification described below in the retailers' books and records to properly document the exemption described in this Section.
- 1) When this exemption may be properly claimed on the purchase of computer or other communications equipment, the purchaser must give the seller a certification stating that the computer or other communications equipment is being purchased for lease to a tax exempt hospital under a lease for a period of one year or longer executed or in effect at the time of the purchase.
  - 2) When this exemption may be properly claimed on the purchase of equipment used in the diagnosis, analysis, or treatment of hospital patients, the purchaser must give the seller a certification stating that the equipment is being purchased for lease to a tax exempt hospital under a lease for a period of one year or longer executed or in effect at the time of the purchase, and that the equipment is for use in the diagnosis, analysis, or treatment of hospital patients.
  - 3) The certification described in subsections (c)(1) and (c)(2) of this Section must also contain all of the following:
    - A) The seller's name and address;
    - B) The purchaser's name and address;
    - C) A description of the tangible personal property being purchased;
    - D) The purchaser's signature and date of signing;
    - E) The name and address of the hospital and its tax exemption identification number issued by the Department; and
    - F) The date the lease was executed and the lease period.
- d) For purposes of this Section, "hospital patients" means persons who seek any form of medical care including, but not limited to, medical treatment, testing, diagnosis, or therapy at a hospital or at another location under the control and supervision of a hospital. For example, persons who are sent by doctors for X-rays or other tests at qualifying hospitals, even though those persons are not admitted to those hospitals, are considered hospital patients.

(Source: Amended at 26 Ill. Reg. 958, effective January 15, 2002)